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VIDELA PRESIDENCY TROUBLED

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Some of the early signs of coup season are beginning to appear in Buenos Aires. Growing dissatisfaction with the Videla government's economic and political performance, ambitious senior officers with a tendency to confuse personal desires with national needs, and a corps of unemployed politicians willing to undercut the government's legitimacy with public carping are among the elements contributing to rumors concerning Videla's possible removal.

We do not believe Videla will be thrown out in the next two or three months. If, however, he is to remain in office through March 1981, he must continue to protect Argentina's perceived national interests in the Beagle Channel and begin to conduct the government's economic and political affairs in a manner that projects a sense of purpose and direction.

The setting. Videla's vulnerability is attributable, in part, to the gradual dissipation of the military-civilian consensus that accompanied the ouster of Isabel Peron in March 1976. The vast majority of Argentines welcomed Mrs. Peron's departure and applauded the military's decision to concentrate on economic recovery and the elimination of terrorism. Disagreements existed over the tactics to be used in pursuit of those objectives. But few doubted that the country faced an emergency situation that demanded sacrifices from everyone.

Partial accomplishment by the military of its priority objectives produced an almost inevitable decline in the sense of national urgency and solidarity. When it became clear that Argentina would survive both the economic and political ravages of the Peronist interlude, civilians and many in the military shifted their concern to the everyday economic fortunes of various sectoral interests and to the plans of the armed forces for Argentina's political future. The accomplishments of Economy Minister Martinez de Hoz in the external sector were undeniable. But what was being or would be done to ensure a share of the success to workers and bring inflation within acceptable bounds? The vague promises about an eventual return to democracy were welcome. But where was the long-promised Political Program of the armed forces, and when would meaningful dialogue with civilians be undertaken?

Gradually deprived of the March 1976 emergency consensus and seemingly bereft of future plans around which

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potential supporters might be rallied, Videla's stock declined. He was increasingly perceived as a weak, indecisive chief executive. His cautious, temporizing style, and his preference for compromise rather than confrontation with military opponents contributed to this negative public image. Argentines expect strong presidential leadership, and Videla appeared somewhat adrift amidst intramural military politicking.

Videla's problem today, therefore, is to restore a sense of momentum and dynamism to the governing process. If his administration remains stuck on center in the eyes of military and civilian observers, he will be increasingly subject to criticism, and groups seeking his ouster will be emboldened.

Essentially, Videla was in about the same situation a year ago. The symptoms were less apparent throughout 1978, however, because the country's attention was riveted on a series of national and international spectacles--the World Cup soccer matches, the August-September flare-up in relations with the US, and the Beagle Channel controversy.

Army opposition. The only viable threat to Videla (and by extension to Army Commander Viola) comes from within the Army in the form of the so-called "hardliners." The term is a convenience primarily used to distinguish between the Videla-Viola clique and the more authoritarian, repressive types on the human rights issue. An attempt to profile the "hardliners" on issues other than human rights yields vague results because we know little of the policy preferences of significant individuals, and what we know suggests that individual officers slip in and out of the "hardline" camp on different issues. At best we can say that the "hardliners":

- are philosophically authoritarian, less inclined to tolerate civilian dissent, and more liable to prefer indefinite military rule;

- oppose the domestic aspects of Martinez de Hoz' economic program because it has been unsuccessful in some respects and, just as importantly, because it is a convenient and effective way to get at Videla who supports his Economy Minister fully; there is no evidence that the "hardliners" have coherent ideas about an alternate economic strategy;

- are strongly nationalist, particularly with respect to resisting US human rights pressure and achieving a successful outcome in Argentina's Beagle Channel dispute with Chile; and

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--are very disturbed by Videla's low-key, unaggressive style.

[REDACTED] The most significant active duty proponents of the "hardline" are:

--M.G. Carlos Guillermo Suarez Mason, Commander, Corps I, Buenos Aires: A cold, stern military professional, Suarez Mason has established a notorious reputation for human rights abuses through his control over counterterrorism in the Corps I area. He is known to be in contact with a variety of erstwhile labor and political leaders. Viola would like to retire Suarez Mason or move him to the Chief of Staff slot, but our latest information indicates that Viola will not get the job done.

--M.G. Luciano Benjamin Menendez, Commander, Corps II, Cordoba: Menendez is a tough "soldier's soldier", widely respected in the Army. While a fanatic on subversion, he has no record of deep interest in social, economic and political problems and reputedly is capable of moderate positions. He reportedly has little respect for Suarez Mason and would be the more liable of the two to compromise differences with Videla.

--M.G. Santiago Omar Riveros, Commander, Military Institutes, Buenos Aires: Riveros is in a less critical military post than the other two, but he may share some of the blame for human rights violations in the Corps I region. He has been a consistent critic of Videla and a more recent critic of the Martinez de Hoz strategy. He is a candidate for retirement this year.

[REDACTED] Both Suarez Mason and Menendez are strong personalities whose personal ambitions with respect to the Army Commander's post and/or the presidency also play a role in their dealings with Videla and Viola. A final complicating dimension emerges from the strong historical competition between the infantry and cavalry branches of the service. Videla and Viola represent the current ascendancy of the infantry. Suarez Mason and Menendez are both cavalry officers. As an artillery officer who specializes in military engineering, Riveros can have no pretensions to higher rank.

[REDACTED] The promotion, retirement, reassignment process for 1978 was delayed by the Beagle Channel crisis and remains incomplete. We know only of the four promotions from brigadier

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to major general. They may help Videla politically within the Army, but no assessment can be made until we see who among the current major generals retires.

(U) Other opposition. Neither the Air Force nor the Navy appears anxious to mix in muddled Army politics. Historically, as intra-army tensions escalate, the junior service stand aside, awaiting a clear winner.

Admiral Armando Lambruschini has been the navy commander since last September and is less disposed to indulge in the sort of machiavellian activities that made his predecessor, Emilio Massera, the bete noire of Videla and the Army in general. Massera, of course, remains a potential source of problems. He has residual influence in the Navy and lobbies constantly in a variety of political and labor circles.

The Air Force will, as of January 25, fall under the command of M.G. Omar Domingo Rubens Graffigna. Aristocratic, strongly anti-Peronist, and close to the incumbent CINC, Graffigna will undoubtedly keep the Air Force out of Army disturbances.

Civilian opposition to the Videla government is most significant in the sense that the increasing volume of public statements indicates that former party leaders believe that Videla's position has weakened. Their best hope is that military disagreements will open fissures that civilians can exploit.

(U) The two consistent themes of statements from civilian politicians are:

--the alleged economic disaster wrought by Martinez de Hoz; as within the military, part of the strategy here is the indirect attack on the Minister's chief supporter, Videla; and

--the need to begin a political dialogue with the government; few are yet calling for elections in the near future.

Union leaders delight in belaboring the negative impact of the government's economic policies on wage earners. The criticism may be warranted in view of declining real wages, but it is also a necessary action for labor leaders who need or retain some credibility with the work force during the period of military intervention in many unions. Most labor

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leaders appear less concerned about Videla's tenure than about securing their own positions against the day when the government finally normalizes labor union conditions.

██████ Videla's remaining assets. As is apparent, the opposition to Videla remains amorphous. It reflects a general and disturbing sense of drift for which Videla is in part responsible and, in part, the scapegoat. It would take something like an effort by Videla to concede to the Chileans on the Beagle Channel to focus the opposition and rally it behind specific leaders.

██████ Until we know the complete list of promotions, retirements and reassignments, we cannot accurately estimate Videla's strength within the Army. We do know, however, that he is a capable participant in barracks politics. Frequently in his almost three-year tenure (active duty and retired) he has faced apparent showdowns with the "hardliners" and survived. He has not been spectacular. He has been successful.

██████ Finally, despite the country's human rights problems and some of Videla's rather inept political moves, he apparently remains acceptable to the Argentine public. This is not the strongest of assets when his most dangerous critics are within the military. Nonetheless, Videla would be in far more trouble if he were not widely perceived as a moderate, decent individual committed to governing in the national interest.

██████ The bottom line--the economy. Ultimately, it may turn out that Videla's fate has been irrevocably linked to the success or failure of Martinez de Hoz' economic policies. Videla will stick with the established armed forces position on the Beagle Channel, and he is unlikely to become isolated from his cohorts on human rights or a return to civilian rule. He is, however, committed to Martinez de Hoz of the point where he might well leave office rather than countenance basic changes in current economic policy.

██████ On this score, Videla would be doubly vulnerable because the "hardliners" are not alone in their opposition to Martinez de Hoz. They have the support of civilian politicians, labor leaders, several business sectors, and perhaps a significant number of lower level military officers who are feeling the economic squeeze. Even Viola is reported to be wary about the wisdom of hewing to the Martinez de Hoz line much longer. Thus, if Martinez de Hoz leads Argentina through another economic year like 1978, he may well precipitate Videla's downfall.

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